

THE INSURANCE CODE OF 1956 (EXCERPT)
Act 218 of 1956

500.1325 Registration statement; form; contents; other reports or information required.

Sec. 1325. (1) An insurer subject to registration shall file a registration statement on a form provided by the commissioner containing the following current information:

(a) The capital structure, comprehensive financial condition, ownership, and management of the insurer and any person controlling the insurer.

(b) The identity and relationship of every member of the insurance holding company system.

(c) The following agreements in force, relationships subsisting, and transactions currently outstanding or that have occurred during the last calendar year between the insurer and its affiliates:

(i) Loans, other investments or purchases, sales, or exchanges of securities of the affiliates by the insurer or of the insurer by its affiliates.

(ii) Purchases, sales, or exchanges of assets.

(iii) Transactions not in the ordinary course of business.

(iv) Guarantees or undertakings for the benefit of an affiliate that result in an actual contingent exposure of the insurer's assets to liability, other than insurance contracts entered into in the ordinary course of the insurer's business.

(v) All management and service contracts and all cost sharing arrangements.

(vi) Reinsurance agreements.

(vii) Dividends and other distributions to shareholders.

(viii) Consolidated tax allocation agreements.

(d) Any pledge of the insurer's stock, including stock of any subsidiary or controlling affiliate for a loan made to any member of the insurance holding system.

(e) A summary outlining all items in the current registration statement representing changes from the prior registration statement.

(f) Other matters concerning transactions between registered insurers and any affiliates as may be included from time to time in any registration forms adopted or approved by the commissioner.

(2) If a person ultimately controlling the insurer or intermediately controlling the insurer is registered on a national stock exchange or is otherwise required to make periodic reports to the United States securities and exchange commission or other instrumentality of a state or the government of the United States or of any foreign nation or jurisdiction regulating the financial conduct of that person, the insurer shall file such reports with the commissioner in addition to other information required by the commissioner.

(3) If the person or persons ultimately controlling the insurer is an individual or group of individuals or is a person not required to make reports described in subsection (2), that person shall be required to file under oath with the commissioner on a form provided by the commissioner information disclosing the financial position of that person. A person who knowingly misrepresents the financial information provided to the commissioner shall be guilty of a felony and, upon conviction, shall be punished by a fine not to exceed \$5,000.00 or by imprisonment for a term not to exceed 5 years, or by both such fine and imprisonment in the discretion of the court. The ultimate controlling person or persons shall not be required to file a financial position form if either:

(a) There has not been a change of control of the insurer for a minimum of 5 years and the insurer maintains a minimum surplus amount of \$25,000,000.00 if the insurer has achieved at least an "A" rating by the A.M. Best company or maintains a minimum surplus of \$75,000,000.00 if the insurer has achieved at least an "A-" rating by the A.M. Best company.

(b) The commissioner accepts the filing made by the ultimate controlling person of the periodic reports that are filed by a person who is an intermediary member within the insurance holding company system between the insurer and the individual or group of individuals controlling the insurer, with the United States securities and exchange commission or other instrumentality of a state or the government of the United States or any foreign nation or jurisdiction regulating the financial conduct of that person.

History: Add. 1970, Act 136, Imd. Eff. July 29, 1970;—Am. 1992, Act 182, Imd. Eff. Oct. 1, 1992;—Am. 1994, Act 227, Imd. Eff. June 27, 1994.

Popular name: Act 218